

2.4. Pay:

At this point it is sufficient to list various alternatives open to CIA in approaching the problem of pay scales. These alternatives could be listed as follows:

- a. Retain the present GS scale.
- b. Adopt an entire new schedule of pay scales, possibly basing it on the Foreign Service pay scale.
- c. Adopt a procedure which would tie pay scales to the cost of living index.
- d. Assimilate present grades to military grades and adopt military pay scales.

As a matter of background information, CIA is specifically exempted from the Classification Act applicable to Government generally. The stated purpose for this exemption was on the grounds of security. In written statements to the Bureau of the Budget and the Civil Service Commission, the Director has advised that, as a matter of policy, CIA intends to comply with the provisions of the Classification Act insofar as possible. At the very least, in order to deviate from that stated purpose, it is believed that there would be required extensive justification to the Bureau of the Budget. It can be argued that legislation would be at least desirable, if not necessary.

At this time there will be no detailed discussion of allowances. There is a great deal to be said for following present allowance schedules established by other agencies, principally, the Department of State and the Civil Service Commission. Administratively, they have the machinery for determining the proper amounts of such

allowances, and it would seem to be costly and inefficient for CIA to duplicate such machinery. Depending on the type of pay schedules which eventually are to be adopted would be the type of allowances to be considered.

Over the years there has been considerable discussion concerning the basic concept of personnel classification. There are some who argue that the personnel classification system, which is based on an evaluation of responsibility of the job, is inadequate to meet the peculiar needs of CIA, with particular reference to rotating employees from the United States to overseas posts and return. It has been believed by many that that classification should be made of the individual and that, having qualified for a certain grade or rank, he should then carry that rank on his shoulder, no matter what the position to which he is assigned. Some have argued even that such assignments should be made without regard to the classification of the position. Some of the alternatives open in this connection can be listed as follows:

- a. Retention of the present system.
- b. Retain the present system but permit a certain percentage of the established T/O's to be filled by individuals holding higher grades than the positions.
- c. The conferring of grade or rank on the individual as such with promotion to come only for cause.
- d. Retention of the present system insofar as classification of jobs is concerned, including retention of the GS ratings combined with the clear-cut concept of retention of that rank or grade by the individual, except for cause.

In considering all of the above alternatives, it is believed basic that there should be a clear-cut statement and recognition of the needs of CIA, in order best to determine which system would fulfill those requirements. No recommendations for changes of the present system should be based on generalizations that some other system would be more desirable or more flexible.

Recommendation: No recommendation is made at this point on this general subject.